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1983/01/26



UNCLASSIFIED United States Department of State

Washington, D. C. 20520

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RELEASED IN PART
B1,A3,A5

BRIEFING MEMORANDUM
S/S

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TO: The Secretary
FROM: EA - Paul Wolfowitz *PW*
SUBJECT: Your First Meeting with Chinese Foreign Minister
Wu Xueqian, 3:30 PM, Wednesday, February 2, 1983

I. YOUR OBJECTIVES

1. Present US global perceptions and policy. Emphasize importance of strong US-China relations in promoting world peace and stability (Talking Points attached).
2. Stress need for regular high level US-China exchanges aimed at restoring trust and strengthening relationship. Note that you will convey Presidential invitation to Premier Zhao for visit to Washington in July. Welcome new Chinese Ambassador Zhang Wenjin to US (Talking Points attached).
3. Seek Wu's agreement to regular exchanges at Under Secretary and Deputy Assistant Secretary/Country Director levels. Propose renewed discussions on nuclear cooperation agreement and invite delegation to Washington this spring (Talking Points attached).
4. Outline regional issues for discussion with Wu in second and final meeting with him. (Reserve Middle East and Africa for Premier Zhao.) Suggest Wu take lead in second meeting (Talking Points attached).
5. Respond as necessary to attacks on issues of "hegemony," Taiwan, or asylum cases (Talking Points attached).

II. SETTING

Foreign Minister Wu is one of the architects of China's recent "independent" foreign policy line, which strikes a more balanced position between the US and the USSR and, publicly, ascribes many of the world's ills to superpower rivalry. Although China now identifies more closely with the Third World, it continues to stress the importance of good US/China relations and of ties with the West.

Wu, an associate of General Secretary Hu Yaobang, has extensive experience in Third World relations. Your talks with

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him should aim to influence Chinese thinking in more positive directions and impress on him the quality of our own global vision.

You will take the lead at this meeting. Your presentation is structured broadly to highlight views we hold in common and the value of good US-China ties in promoting world peace and in providing bilateral benefits.

In response, Wu may criticize the US or our support for countries such as Israel and South Africa. You should rebut such criticisms firmly if Wu or others persist.

You should foreshadow some goals we have for this visit and explain with whom you intend to raise respective topics. This will speed Chinese responses (e.g. to President Reagan's invitation to Premier Zhao) before the visit ends and underscore our intention to focus on regional--rather than bilateral--issues in your second session with Wu.

We have had little contact with Wu since his appointment last November and do not know how he will handle himself.

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III. PARTICIPANTS

US

The Secretary
Ambassador Arthur Hummel
EA - Paul Wolfowitz
PA - John Hughes
PM - Jonathan Howe
S - Raymond Seitz
NSC - Gaston Sigur
EA - Thomas Shoesmith
DOD/ISA - Richard Armitage
S - Charles Hill
DCM - Charles Freeman
EA/C - William Rope
Ms. Vivian Chang (Interpreter)
Two Embassy notetakers

CHINESE

Foreign Minister Wu Xueqian

IV. PRESS ARRANGEMENTS

There will be a photo opportunity at the start of the meeting.

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Drafted: EA/C:DLWeity ^{Dr} - BJSchrage ^{Dr}
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Treas:PHaas ^{Dr}
L:TFortune ^{Dr} ASurena ^{Dr}
EA:TPShoesmith

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V. DISCUSSION OF OBJECTIVES

Present US global perceptions and policy. Emphasize importance of strong US-China relations in promoting world peace and stability.

-- Have been looking forward to meeting with you and other Chinese leaders. China is major independent actor on world stage with close links to both developed and developing world; we have many common interests. We value contributions you have made to peace and security in Asia and elsewhere and welcome opportunity to exchange views with you. Hope to have very fruitful exchanges on full range of international matters and those bilateral issues that need be discussed.

-- Would like to begin by sharing our assessment of world today and principles guiding our approach.

-- Modern communications and technologies have brought nations of world close together; problems of one country or region become problems for all.

-- Can no longer view world in bipolar terms. My government has long seen world as multipolar and complex. Means of exercising power and influence on world events now so differentiated and diffused, and pace of change so rapid, that no single nation or group can dominate world stage.

-- In dealings with other nations, we seek to foster lasting and stable world order that will allow people everywhere to live in peace, under social system of choice, and share in benefits of modern science and technology. This is not easy but must be pursued with strength and perseverance.

-- We see four obstacles to this objective.

-- First, deep world recession has created special problems for all countries, regardless of social or economic system. No nation is impervious to developments in international economy.

-- Second, aggressive Soviet behavior has not abated despite severe internal economic and social problems. Moscow seeks to control Afghanistan and extend its power beyond. It continues to support Vietnam in Kampuchea and Cuban interference in Latin America and Africa.

-- Third, volatile issues threaten regional stability and provide opportunities for Soviet expansion and aggression, endangering world peace.

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-- Finally, fundamental problem of poverty and underdevelopment of many nations of world.

-- Believe there cannot be world peace and stability unless all these problems are addressed constructively; our President's foreign policy reflects high priority he places on dealing with them.

Fighting Global Recession

-- Current world economic situation is serious: global trade has shrunk and many countries have accumulated large debt burdens. Recession in major industrial countries has limited export markets for the developing world and strengthened pressures for protectionism.

-- US traditionally motor force of world economy; our troubles have therefore been other people's troubles. Efforts at home have been major part of our international economic strategy. President has worked hard to revitalize our economy while strengthening defense capabilities.

-- Program has not worked as quickly as we hoped; we face tough social and budgetary decisions, but real progress has been made. Inflation and interest rates are down; economy appears poised for upswing. This will reduce domestic unemployment; make it easier to address international trade and economic problems.

-- Recovery of US economy should give new impetus to world economy but is unlikely by itself to pull rest of world along quickly. Hope our recovery will be reinforced by containment of inflation in other countries.

-- Are working with other countries to strengthen international trading system. To help world financial system, we are increasing resources for IMF and encouraging commercial banks to continue lending to LDC's.

-- President also working hard to counter strong protectionist pressures in Western Europe and US and to preserve open international trading system. This is not way to go. Must raise everyone's consciousness. Greater international cooperation required.

Countering Soviet Threat

-- President has taken number of steps to counter Soviet threat.

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-- He has gained Congressional approval of larger Defense budget for growth and modernization of US military, to discourage Soviet expansionist efforts so we can respond appropriately to attacks on ourselves, our allies, and our friends around globe.

-- Working hard with allies in Europe on how to deal with Soviets and have begun intensive consultations on common policy for economic relations with Soviet bloc.

-- President has established personal relationship with Nakasone; US-Japan relations can move forward in defense field, while addressing trade problems.

-- We have developed comprehensive approach toward arms controls negotiations with Soviets; seek realistic reductions to lower risks of war and true balance of forces.

-- If time permits, I will return to these important issues later.

Resolving Regional Issues

-- President has also adopted imaginative approaches to regional issues designed to bring peace and reduce opportunities for Soviet and Soviet-supported expansionism.

-- In Kampuchea, we have been working with you, and ASEAN nations, to induce Hanoi to negotiate comprehensive settlement featuring total withdrawal of Vietnamese forces, Khmer self-determination, and an independent, neutral Kampuchea which does not threaten its neighbors.

-- Continue to work with China, Pakistan, and others in region to force Soviets out of Afghanistan.

-- President's September 1 Middle East initiative, aimed at revitalizing and expanding peace process, could form foundation for long-term peace in region.

-- Believe our initiatives in Angola and Mozambique also form solid basis for restoring regional peace and stability and curtailing Soviet influence.

-- In Korea, we have acted in support of peace and stability and have proposed--through Military Armistice Commission--such tension-reducing measures as prior notification of military exercises and mutual observance of exercises.

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-- President's recent trip to Latin America gave new impetus to our relations with nations of region. Caribbean Basin Initiative should also help strengthen region against outside aggression.

-- Hope we will be able to return to all of these regional issues in depth at our next meeting.

Assisting the Third World

-- Despite economic difficulties, we continue to play a leading role in assisting less developed countries.

-- Each year we contribute almost one billion dollars through direct aid programs to Third World nations. PL-480 programs make available a wide variety of foodstuffs. Also provide training and other support through programs such as Peace Corps.

-- Also make available substantial amount of funds and other assistance for development purposes through World Bank, IDA, ExIm, ADB, OPIC, etc.

-- Contribute large share of funding for virtually all development programs carried out by international organizations, including all major UN and UN-affiliated bodies.

Importance of US-China Relations for Peace and Security

-- All of above measures will help over time to foster global and regional peace and stability, but would like to stress now the important contribution good US-China relations have made to world peace and security.

-- Our ties brought about fundamental shifts in global and regional power balances favorable to both countries' interests. No longer face dangerous prospect of fighting each other in war. You free to concentrate on other threats; we have increased flexibility to deal with military contingencies in areas--Indian Ocean, Persian Gulf--of vital concern to us both.

-- Have worked together in Afghanistan and have coordinated approaches in Kampuchea. In other areas, such as Middle East and southern Africa, we have had constructive dialogue which can lay basis for possible common approaches in future.

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-- Our rapprochement has been paralleled by improvements in Sino-Japanese and Sino-ASEAN relations. As result, Asia today--even recognizing Soviet threat and Kampuchean situation--is more stable and prosperous than at any time in past.

-- Our rapprochement has also facilitated forging of ties between China and Europe, with great benefits for both.

-- It is clear that US and China have great potential for positive influence on world events; have mutual responsibility to do all in our power to promote more peaceful, stable future.

-- This afternoon I have tried to give you a very general outline of major problems facing world and our approaches to it. Need to continue our dialogue on major global and regional issues and seek concerted approaches. I plan to go into greater detail on these issues in our next meeting.

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Stress need for regular high-level US-China exchanges aimed at restoring trust and strengthening relationship. Note that you will convey Presidential invitation to Premier Zhao for visit to Washington in July. Welcome new Ambassador Zhang Wenjin to US.

In order to maximize prospects for gaining Premier Zhao's acceptance of President Reagan's invitation, we need to foreshadow the invitation in this meeting with Wu. This should be done in the context of discussing the need for continuing high level exchanges.

-- As I indicated at outset, it is essential that we restore atmosphere of trust and mutual understanding into our relationship. For this, need more than one visit -- rather a series of high level visits.

-- Have several invitations to issue or re-extend during my visit but I particularly want to mention now that I will be delivering to Premier Zhao a formal invitation from President Reagan to visit Washington in July.

-- Also want to extend warm welcome to Ambassador Zhang Wenjin. Have heard very positive comments about Ambassador Zhang. I look forward to working with him in Washington and to exchanging views with him as opportunity arises.

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Seek Wu's agreement to regular exchanges at Under Secretary and Deputy Assistant Secretary/Country Director levels. Propose renewed discussions on nuclear cooperation agreement and invite delegation to Washington this spring.

In the period following normalization in 1979, we periodically held useful talks at the Under Secretary/Vice Foreign Minister level on international issues. These have been suspended since the Taiwan arms sales issue intervened, but we want them to resume. We would like to invite Vice Foreign Minister Han Xu this Spring for talks with Under Secretary Eagleburger. We also want periodic exchanges at the Deputy Assistant Secretary and Country Director levels on regional issues, the UN, and arms control.

The President has decided we should renew discussions with Beijing aimed at getting a nuclear agreement if we get necessary assurances from China. You should raise this with Wu but keep the discussion brief--and save time for discussion of foreign policy issues. State that you will discuss this issue further with Premier Zhao and that we plan to outline our concerns on nuclear issues at that time.

-- As we aim at strengthening our relationship, would like to propose resumed consultations at Under Secretary/Vice Foreign Minister level. As first step, would like to invite Vice Minister Han Xu to US this spring for talks with Under Secretary Eagleburger.

-- Would also like to hold periodic discussions at Deputy Assistant Secretary and Country Director levels. Have found such talks with other friendly countries to be extremely beneficial. Would like to send our people to Beijing and have yours coming often to Washington.

-- Finally, would like to put forward briefly another proposal for resumption of nuclear discussions.

-- To save time, I will discuss specific objectives during meeting with Premier Zhao but would like now to suggest that you send delegation to US for talks this spring. Would reciprocate visit by OES Assistant Secretary Malone in September 1981. Will need to resolve some difficult issues but I believe it is important we continue to exchange views.

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Outline regional issues for discussion with Wu in second and final meeting. (Reserve Middle East and Africa for Premier Zhao.) Suggest that Wu take lead.

You will probably have only two meetings with Wu. To make the best use of time, you should discuss before your first meeting ends the topics for your next meeting: the Soviet Union, Kampuchea, Afghanistan, and Korea. You might suggest Wu take the lead. Reserve discussion of the Middle East and Africa for Premier Zhao, just back from a month-long visit with Wu to eleven African countries.

If you have more time in this first meeting, we recommend you move immediately into discussion of the Soviet Union, perhaps taking the lead on our approach to the USSR and inviting Wu to outline China's approach at the opening of your next session. (For talking points on US-Soviet relations, see memo for second Wu meeting.)

-- Look forward to our discussions tomorrow and hope we can better understand our positions on regional issues.

-- Hope spend bulk of time on Soviet Union, Kampuchea, Southwest Asia, and Korea. Propose that you take lead.

-- Though I would welcome opportunity to discuss Middle East and Africa, time is short and I would expect to address these areas in my meeting with Premier Zhao.

-- If time permits, Latin America is an area I would like to discuss briefly.

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Respond as necessary to attacks on issues of "hegemony," Taiwan, or asylum cases.

We hope your meetings with Wu, particularly the opener, can be devoted to international issues.

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If Wu chooses to discuss lesser bilateral irritants, you can say you will discuss items of a strictly bilateral nature with other ministers. If he persists, you can ask that discussion of these issues be deferred to your next meeting (at the expense of discussing regional topics). However, if Taiwan, "US hegemonism," political asylum, or Hukuang Railway Bonds come up, all of which fall within the Foreign Ministry's purview, you may wish to clear the decks right away so that the next session can concentrate on regional issues. You might draw on the talking points below.

(If you wish to defer discussion for other ministers or for next meeting with Wu)

-- Every relationship has differences. Recognize your concerns. We have ours.

-- I will be discussing issues you have raised with other Ministers and prefer to address with you those issues falling in our purview as Foreign Ministers. In the international arena, there are a great many points we hold in common and only limited time for discussion.

(If you choose to respond to Wu on these topics at this meeting)

"US Hegemony"

-- As I stated at outset, US does not view world in bipolar terms or see itself as merely locked in deadly struggle with another superpower for world influence or domination.

-- We have long seen world as multipolar, and far more complex than is suggested by analyses which attribute all world's ills to US-Soviet competition.

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-- Our initiatives in Middle East and southern Africa are designed to restore stability in strategically important areas.

-- To act otherwise would permit, by default, further expansion of Soviet influence.

-- It is not helpful, nor accurate, to depict US actions in terms applied to Soviets. We are not "hegemonist" any more than China is "hegemonist." Uncritical Chinese attacks on US are not helpful. Undercut world pressure on Soviets to stop expansionist behavior, harm our efforts regionally to promote solutions, and impede our work at home to build political and popular support for improved US-China ties.

Taiwan

-- Taiwan has always been difficult issue; but we have consistently found ways to set aside or make progress gradually, so goal of ultimately removing this issue as obstacle could be progressively realized.

-- We feel we have not received respect and credit due for tough decisions taken by President to ensure further progress in managing difficult area. Have old friends in Taiwan, about whom President, our people, and elected representatives maintain principled feelings of loyalty; nonetheless, have maintained purely unofficial, people-to-people contacts, in way that accords with undertakings at normalization.

-- Our actions and positions have not always accorded with what you would like; but, just as often, they have been distorted or misrepresented. Indeed, viewed broadly, decisions we made on Taiwan issues steadily reflected importance we place on US-China relations and keeping commitments.

-- As President wrote General Secretary Hu, and Vice President Bush said publicly in Beijing last May, we are determined not to let unofficial relations with Taiwan undermine our commitment to fundamental principle that there is only one China. And, as we said to you as early as decade ago and have articulated in August 17 Joint Communiqué, we will not pursue policy of "Two Chinas" or "one China, one Taiwan."

Meeting between Judge Clark and Taiwan representatives

-- This Administration has not received respect and credit due on Taiwan issues. You must not believe all you read. Often even informal contacts are misrepresented in media. Reported incidents have never occurred in some instances. When you do read or hear about events which trouble you, ask us; we will tell you truthfully what took place.

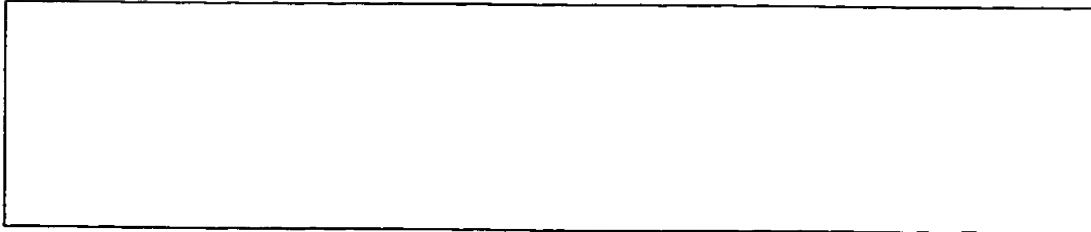
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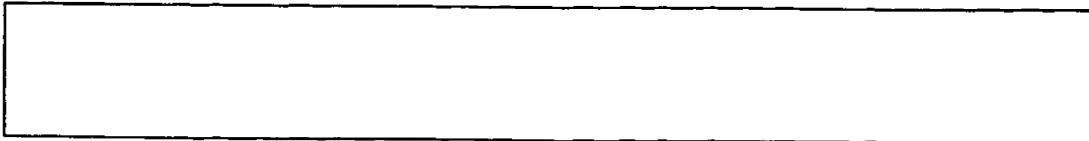
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Political Asylum (Hu Na)



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We instructed Ambassador Hummel this week to brief the Chinese at a high level on the current state of play and to make clear that, regardless of the ultimate disposition of the case, we would not be able, under US law, to force Hu Na to return to China against her will if another destination (e.g., Taiwan) were willing to receive her.

-- Recognize your desire for Hu Na to return to China and can sympathize with her family's unhappiness over her decision not to return. However, this was her personal decision, over which we have no influence.

-- Asylum reflects deep tradition enshrined in our values and laws. We have acceded to UN Convention and Protocol Relating to Status of Refugees; understand China has recently done the same and announced liberal attitude in providing refuge to those who seek it.

-- Because our law incorporates both our traditions and provisions of the Protocol, there are many procedural safeguards to people seeking asylum in US. Include numerous opportunities for review of decision.

--Thus, even if Hu Na denied asylum, could take several years before she obliged to depart US; process might involve much unwanted publicity.

--US law does not permit us to compel alien to return to country of origin (other than in extradition case, which does not apply to Hu Na), if wishes to go elsewhere and is accepted. If denied asylum, Ms. Hu would be free to go anywhere that admits her, including Taiwan.

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Hukuang Railway Bonds

In September, a Federal court in Alabama entered a default judgment against the PRC for \$41.3 million due on bonds issued by the Imperial government in 1911. China had refused to appear in court, arguing in diplomatic notes and oral statements to the Department that it was immune to the jurisdiction of US courts and that it was not liable for the obligations of the imperial government. The Chinese were informed by the Department that under the US legal system they were required to appear through counsel to assert sovereign immunity and other defenses. But they refused to appear, insisting that the Department convey their position to the courts.

As a result of the PRC's refusal to go to court to assert its position, the default judgment was rendered. Now the plaintiffs may use the judgment to attach certain non-diplomatic, commercial Chinese properties in the US.

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-- Complex legal issue. We have discussed this several times with your Embassy in Washington and your Ministry here. Have consistently recommended you retain counsel and present your claim of immunity in court. As we have explained, under our law, State Department cannot represent China in federal courts in this case.

-- Since China did not appear, court entered default judgment. Bondholders now anxious to satisfy that judgment and may move soon to attach Chinese commercial assets in US.

-- Bondholders appear eager to pursue non-judicial outcome with you. Have told us they will withhold action if they can discuss case with you at early date. You could be represented by counsel or by Chinese commercial entity such as Bank of China. Negotiated solution could also be structured to satisfy concerns you may have about principles of immunity.

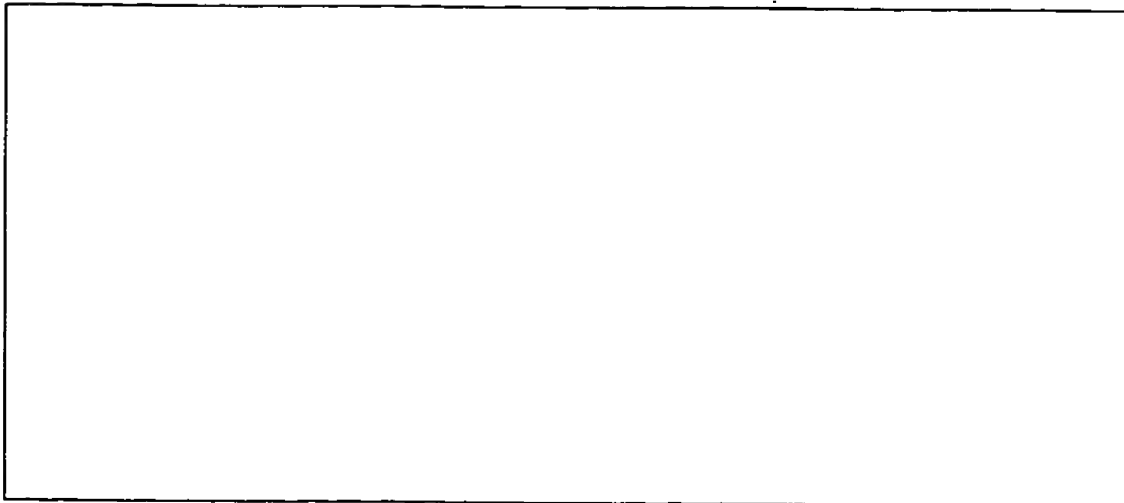
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